

AMENDED IN ASSEMBLY APRIL 1, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2014

Introduced by Assembly Member Harman

February 15, 2002

An act to add Section 6073.3 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2014, as amended, Harman. Sales and use taxes: seller's permit.

Under the Sales and Use Tax Law, the State Board of Equalization may require an operator of a swap meet, flea market, or special event to determine that sellers either have a valid seller's permit or are not engaged in selling taxable items.

This bill would require the board to distribute to the operator of a swap meet, flea market, or special event, *and require the operator to distribute to each seller*, an explanation of the sales tax law and a statement of the penalties for violating that law, as specified. The bill would ~~also require the board to report to the Legislature annually with respect to reporting of sales by sellers at swap meets, flea markets, and special events~~ *impose a penalty not to exceed \$1,000 per offense on operators who fail or refuse to comply with these provisions.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 6073.3 is added to the Revenue and Taxation Code, to read:

6073.3. (a) The board shall distribute to the operator of a swap meet, flea market, or special event both of the following:

(1) A one-page explanation of the sales tax law, that includes, but is not limited to, a description of a seller's obligation.

(2) A separate statement in bold type explaining the penalties for violating the sales tax law, as provided in Chapter 10 (commencing with Section 7151).

(b) The operator of a swap meet, flea market, or special event shall distribute the explanation of the sales tax law and statement of penalties described in subdivision (a) to each seller upon registering the seller to conduct business at a swap meet, flea market, or special event.

~~(c) Commencing September 30, 2003, the board shall report to the Legislature annually, on or before September 30, regarding its audits of sellers at swap meets, flea markets, and special events. This report shall include, but not be limited to, the sales reporting efforts of sellers with seller's permits. In its first report, the board shall report on the potential use of more effective means of recording sales by sellers with seller's permits and the potential cost for sellers of a system for recording sales.~~

(c) Any operator of a swap meet, flea market, or special event who fails or refuses to comply with the requirements of subdivision (b) is subject to a penalty not exceeding one thousand dollars (\$1,000) for each offense.